



May 10, 2015

Andy Slavitt, Administrator
Centers for Medicare & Medicaid Services (CMS)
Department of Health and Human Services
Room 445-G, Hubert H. Humphrey Building
200 Independence Avenue SW
Washington, D.C. 20201

Subject: California's Section 1115 Medicaid Waiver Extension Request

Dear Administrator Slavitt,

The California Primary Care Association (CPCA) appreciates the opportunity to provide input on California's Bridge To Reform 1115 Demonstration Waiver Extension Request. We fully support California's Department of Health Care Services (DHCS) in their efforts to meet the Triple Aim through the use of the 1115 Waiver process, a goal that is especially important after expanding coverage to more than 3 million Californians under the Affordable Care Act (ACA). We thank CMS for working with DHCS to improve California's Medicaid program, and for your ongoing commitment to Medicaid enrollees. We look forward to working with CMS, DHCS, and other stakeholders to leverage the 1115 Waiver opportunity to incentivize quality, efficiency, patient satisfaction, and comprehensive care for all Californians.

CPCA writes this letter on behalf of more than 1,100 not-for-profit community clinics and health centers (CCHCs) in California that provide comprehensive, quality health care services to millions of Medi-Cal enrollees and who account for approximately 2/3 of primary care Medi-Cal claims. As an instrumental component of the Medi-Cal primary care network, CCHCs must be a central focus of any efforts to meet the Triple Aim in the safety-net. CPCA and California's CCHCs fully support the State's plan to build on the successes of the 2010 Bridge to Reform Waiver and move forward with a new waiver to care for the newly insured in the most efficient way through delivery and payment system transformation. We see many symbiotic opportunities for California to partner with the Obama Administration to explore innovative, ambitious programs that link quality improvement, outcomes, and financing together in the health care safety net. We are supportive of DHCS taking full advantage of the demonstration authority allowed under the 1115 Waiver and leveraging this opportunity all to create sustainable, comprehensive reforms for California's safety-net delivery system.

On behalf of our members and in the spirit of true collaboration with the safety-net delivery system in California, we respectfully submit comments to build upon and improve California's next 1115 Waiver.

Federal/State Shared Savings and Reinvestment

Recommendation: Approve California's proposal to use shared savings from Medi-Cal programs to reinvest in patient care and delivery system reforms.

California is always first in line to pilot innovation, and has for many years been working to expand access, manage care, and improve quality. The managed care infrastructure utilized widely in the California Medicaid program is a testament to this approach. With this Waiver proposal, California is once again aiming to raise the bar on innovation by focusing resources in areas that will fundamentally alter the trajectory of health care quality and spending. As a network of whole-person, integrated primary care health centers, CPCA has long argued that investment in primary care reaps savings in the larger health care system, and it is these same savings that should be used to then invest in primary care infrastructure and patient wellness. Our ultimate aim with this Waiver is to target the preponderance of health care spending toward prevention, public health measures, and primary care so that patients never get sick enough to require high cost, complicated services. CPCA is thus supportive of the State finding ways to capture savings from one part of the system and reinvest it in other programs. We urge CMS to support this innovative approach to broadening the spectrum of the Medi-Cal program, because only with this approach will low-income Californians experience the possibilities of a community-based, fully integrated, whole person delivery model.

Managed Care Systems Transformation and Improvement Programs

Recommendation: Approve California's proposal to restructure its Medicaid rate-setting process to ensure that managed care plans (MCPs) are able to capture and reinvest savings through statewide investment in primary care shared savings and pay-for-performance programs for FQHCs and other Medi-Cal providers.

CPCA strongly supports DHCS' proposal to transform the Medi-Cal delivery system by creating a culture of shared accountability across the state, counties, plans, and providers. The proposed approach to allow plans to capture savings in the Medi-Cal program and invest those savings in widespread shared savings and pay-for-performance programs embraces and furthers the nation's movement toward value-based payment. Targeted interventions to expand and coordinate access to care in the Medi-Cal fee-for-service delivery system ensures that all Medi-Cal beneficiaries are able to benefit from these innovative approaches to care coordination. California's intention to improve patient outcomes, improve patient experience, and lower the total cost of care can only be realized when all parts of the delivery system are aligned to embrace the Triple Aim. As FQHCs provide 2/3 of the primary care services to Medi-Cal enrollees across the state, we encourage CMS to work with DHCS to ensure that FQHCs and our Medi-Cal managed care plan partners are incentivized to work together to build a value-based payment system wherein all parts of the delivery system are invested in the health and wellness of Medi-Cal beneficiaries.

Integration of Physical and Behavioral Health Services

Recommendations:

1) Emphasize primary care and behavioral health integration to ensure a “no wrong door” approach; and

2) Standardize assessment and eligibility criteria for behavioral health services across counties.

CPCA was pleased to see the emphasis on improved physical and behavioral health care integration in DHCS’ 1115 Waiver renewal proposal. We are supportive of proposed measures such as an incentive pool between county mental health plans and managed care plans for better care coordination of patients between systems and incentives to encourage providers to coordinate and/or co-locate primary care and behavioral health care.

In keeping with the goals of the Triple Aim, we believe that it’s critical that patients experience a “no wrong door” approach when seeking help for mental health and substance use disorder services. A “no wrong door” approach requires that primary care providers are at the center of integrated primary and behavioral health access, and requires that patients are able to find high quality, easily accessible care for their medical and behavioral health needs regardless of geographic location. As a part of the ongoing negotiation with DHCS, we encourage CMS to emphasize the need for integrated care at the primary care delivery site and to require that access to and eligibility for behavioral health care be standardized across the state, regardless of the county of residence of the beneficiary.

Increased Access to Housing and Supportive Services

Recommendation: Approve California’s proposal to incorporate housing and supportive services into the Waiver, supplemented by additional investment into housing outside of the Waiver program.

CPCA is thrilled that the state is proposing to work with MCPs to provide much-needed access to housing and other supportive services to Medi-Cal recipients. CCHC have traditionally provided critical enabling services outside of clinical care, such as transportation, child care, and linkages to supports outside of the clinic setting, and we have found these enabling services to be indispensable resources in enabling patients to successfully improve their overall health and wellbeing. This proposed program to support health outside the clinical setting aligns with and directly supports the goals of this Waiver renewal to improve health outcomes, improve patient experience, and decrease the total cost of care. CPCA highly recommends the inclusion of supportive services and housing in the 1115 waiver renewal and we encourage CMS to approve this innovative new program. Further, we encourage both CMS and DHCS to consider additional mechanisms for funding even more services that can further our mutual work to embrace the Triple Aim, such as supportive housing infrastructure and rent assistance, in conjunction with this benefit.

Regional Integrated Whole-Person Care Pilots

Recommendation: Select benchmarks for pilots that are appropriate for the populations being targeted and develop incentives that encourage prevention

CPCA is pleased to see that the 1115 Waiver proposal includes innovative programs in care coordination to further integrate communities to improve whole person care. Collaborating with entities outside the traditional health care delivery system offers a new and unique opportunity to reduce the total cost of care while simultaneously uniting communities around wellness and improved health. The proposed Whole Person Care Pilots will allow providers, managed care plans, and DHCS greater ability to focus on the clinical care of their patients, while strengthening referral networks and improving accountability for health throughout the community. We strongly encourage CMS to approve these Whole Person Pilot programs and to work with DHCS and stakeholders to develop incentives that encourage prevention and metrics that capture the return on investment in regional pilots in order to build upon and expand best practices in the future.

Workforce

Recommendations: Approve California's proposal to expand primary care residency training, incentivize greater provider participation in the Medi-Cal program, increase plan utilization of non-physician community providers, and pilot telehealth incentives to increase access to specialty services.

To build on the success of the 2010 Bridge to Reform Waiver, to care for the newly insured, and to realize the vision of this new waiver to transform care, this Waiver Extension must address today's health care needs while laying the foundation for tomorrow's workforce. As we prepare to take full advantage of this next Waiver opportunity, the state has fallen deeper into a statewide shortage of physicians that disproportionately affects our Medi-Cal population and our state's most vulnerable communities. The supply of primary care physicians varies substantially across California, with only 16 of California's 58 counties falling within the Council on Graduate Medical Education's recommended 60-80 primary care physicians per 100,000 people.

With six Teaching Health Centers (THC) in our state, California's CCHS are committed to being part of the solution to the provider shortage. California's six Teaching Health Centers are providing training to dozens of residents that are not only committed to primary care practice but also to serving underserved communities and health shortage areas. Investing in THCs is not only an investment in new providers, but also provides immediate relief in shortage areas as residents provide direct patient care as part of their training. According to a 2009 study, THC have produced residents that are nearly three times more likely to practice in underserved settings and are 3.4 times as likely to work in a health center (Morris et al.). Important to providing care in underserved communities, THCGME programs are attracting medical school graduates who are from their communities and represent the cultural and linguistic diversity of their patients. For these reasons, we urge CMS to approve targeted expansion of physician

residency training slots that would provide targeted funding for existing and new residency programs at teaching health centers and other primary care sites.

While we are thrilled to see investments in primary care residency in this Waiver, we recognize that it is not the only investment needed in address California's primary care shortage – targeted incentives to increase provider participation, investment in non-physician community providers such as community health workers and peer support specialists, and investment in telehealth are also critical elements to improving the health care workforce. In underserved communities, especially those in rural California, access issues undermine the stability of the health system and the health of our communities. For this reason, we urge CMS to approve these workforce investments in the Waiver Extension.

In conclusion, CPCA is strongly supportive of DHCS' 1115 Waiver renewal proposal, especially those programs that strengthen the alignment of all parts of the delivery system to deliver better, more coordinated, and higher quality health care to the millions of beneficiaries. We thank CMS for providing CPCA the opportunity to comment on the California's proposal for the 1115 Waiver and offer new ideas for how our state can achieve the Triple Aim. CPCA is committed to the Waiver process and looks forward to engaging more deeply on the any of the above proposed ideas.

Regards,

A handwritten signature in dark ink, reading "Carmela Castellano Garcia". The signature is fluid and cursive, with the first name "Carmela" being the most prominent.

Carmela Castellano Garcia, Esq.
President and CEO
California Primary Care Association